

July 7, 2003

Issue 1

Topic: Central Contractor Registration

Background Information

The Health Coverage Tax Credit (HCTC) was passed by Congress and signed into law by President George W. Bush on August 6, 2002. This new federal tax credit could pay 65% of the eligible premium individuals pay for a qualified health plan. Individuals are potentially eligible for this credit if they receive Trade Adjustment Assistance (TAA) benefits, Alternative Trade Adjustment Assistance (ATAA) benefits, or pension benefit payments from the Pension Benefit Guaranty Corporation (PBGC).

Eligible individuals have two options for claiming the credit:

- Claim and receive the HCTC in advance on a monthly basis by registering for the HCTC program. This program combines the individual's share of their monthly health plan premium with a 65% advance payment of the federal tax credit. The combined payment will then be sent to the health plan administrator each month on behalf of the registered individual.
- Claim the HCTC on their federal tax return for eligible premium amounts paid directly to a qualified health plan during the year.

This newsletter was sent to you for one of the following reasons:

- The HCTC program received an invoice from one of your members that is eligible for the HCTC.
- The HCTC program anticipates members of your plan will be eligible for the HCTC.
- You are an HCTC state-qualified plan.

Central Contractor Registration (CCR)

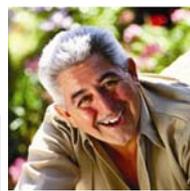
In order for you to receive payments from the HCTC program for eligible individuals, you must be registered as a vendor with the Department of the Treasury through the Central Contractor Registration (CCR) database.

CCR was established with a two-fold purpose: to enable the federal government to comply with the Prompt Payment Act, and to advance the goals of the Paperwork Reduction Act by maximizing the number of electronic payments made by the government. CCR is also the best way to ensure that the HCTC program disburses funds to the appropriate parties.



What Does This Mean For You?

In order to receive payments, you need to complete Central Contractor Registration at www.ccr.gov as soon as possible. The HCTC program will work with you on the CCR process and address any HCTC questions you have. Instructions on how to register can be found on the second page of this newsletter.



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What You Need To Do

1. Obtain a DUNS Number at www.dnb.com if you do not already have one. A DUNS Number is a unique nine-digit identification sequence, which provides unique identifiers of single business entities, while linking corporate family structures together.
2. Complete Central Contractor Registration online at www.ccr.gov. The web site has instructions for completing CCR.
3. Provide the HCTC program Finance and Accounting Center the following information when contacted:
 - DUNS Number
 - 4-digit DUNS add-on (if applicable)
 - Company name used in CCR



Frequently Asked Questions

Question: Does completing CCR change a health plan administrator's responsibilities under HIPAA?

Answer: Registering with CCR does not change a health plan administrator's responsibilities under HIPAA. Please see the 8/1 Implementation Guide on the IRS.gov website for the HCTC program HIPAA Statement and Disclaimer.

Question: Does completing CCR make a health plan administrator a government contractor?

Answer: No, completing CCR does not make a health plan administrator a government contractor. The HCTC program uses CCR as a means to deliver the advance payment of the tax credit. There is no contract between the government and the health plan administrator.

Additional Things To Consider

- The HCTC program will register as many health plan administrators as possible prior to the end of July 2003.
- At this time, Electronic Funds Transfer (EFT) is the method of payment for the HCTC program. Registering in CCR requires you to provide your EFT routing information.
- The HCTC program will send you one IRS Form 1099 per EFT location. This means if you currently have multiple locations for payment and want to consolidate the EFT location for all, you need to consider the impact of receiving only one Form 1099.
- For technical support with CCR, contact CCR Customer Service at 1-888-227-2423.
- For questions regarding the HCTC program, contact the HCTC Health Plan Liaison Team by calling the HCTC Customer Contact Center at 1-866-628-HCTC.
- For questions related to state-qualification of health plans, contact Stephen Finan at 202-622-1446.

You can find information for health plan administrators at www.irs.gov (IRS keyword: HCTC).

The 8/1 Implementation Guide is now available.

